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FM AMEMBASSY ~~COLOMBO~~  
TO RUEHC/SECSTATE WASHDC PRIORITY 8419  
INFO RUEHNE/AMEMBASSY NEW DELHI 2982  
RUEHMR/AMCONSUL MADRAS 3161  
RUSBAY/AMCONSUL BOMBAY 1279  
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S E C R E T COLOMBO 09127

EXDIS

E.O. 12356: DECL: OADR  
TAGS: PREL PINS PGOV CE IN US  
SUBJECT: (S) ~~SENATOR PERCY'S~~ MEETING WITH PRESIDENT  
JAYewardene

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## 1. SECRET - ENTIRE TEXT.

2. SUMMARY. SENATOR PERCY AND AMBASSADOR MET WITH PRESIDENT JAYEWARDENE AND NATIONAL SECURITY MINISTER ATHULATHMUDALI ON DECEMBER 26. PERCY DELIVERED PRESIDENT REAGAN'S LETTER TO JAYEWARDENE, WHO WAS CLEARLY PLEASED WITH THE MESSAGE. THE PRESIDENT DESCRIBED THE TROUBLED TAMIL AREAS AND REVIEWED HIS YEAR-LONG EFFORTS TO FIND A POLITICAL SOLUTION. HE EXPRESSED HIS DISAPPOINTMENT THAT THE TULF AND OTHER GROUPS HAD REJECTED THE APC PROPOSALS AND LEFT HIM WITH NO ALTERNATIVE BUT TO ABANDON THIS APPROACH. JAYEWARDENE IS BY NO MEANS GIVING UP HIS GOAL FOR A PEACEFUL SOLUTION. HE MENTIONED THE POSSIBILITY OF HOLDING ELECTIONS. A MAJOR INITIATIVE WILL BE AN EARLY ATTEMPT TO MEET WITH INDIAN PRIME MINISTER GANDHI FOR A FULL AND FRANK DISCUSSION. JAYEWARDENE WILL FORCEFULLY URGE GANDHI TO HALT ALL AID AND SUPPORT TO THE SEPARATISTS OPERATING IN TAMIL NADU. SENATOR PERCY EXPRESSED THE U.S.'S CONTINUED SUPPORT FOR AN INDEPENDENT, UNITED SRI LANKA AND OUR VIEW THAT A POLITICAL SOLUTION IS ESSENTIAL. PERCY SAID THAT HE WAS A LONG-TIME FRIEND OF RAJIV GANDHI AND THAT, IN HIS UP-COMING MEETING WITH HIM, HE WOULD BE GLAD TO CONVEY JAYEWARDENE'S DESIRE FOR AN EARLY MEETING. JAYEWARDENE GRATEFULLY ACCEPTED THE OFFER. THE CAPABILITY OF THE SECURITY FORCES WAS DISCUSSED AND JAYEWARDENE EXPRESSED THE HOPE THAT AT SOME TIME IT MAY BE POSSIBLE FOR THE GSL TO PURCHASE SOME MILITARY EQUIPMENT. HE SAID HE WAS AWARE OF THE USG LIMITATIONS IN THIS REGARD.  
END SUMMARY.

3. ON DECEMBER 26, SENATOR PERCY AND I MET WITH PRESIDENT JAYEWARDENE. THE SENATOR PRESENTED PRESIDENT REAGAN'S LETTER TO THE PRESIDENT, WHO READ IT AT ONCE AND EXPRESSED PLEASURE AND APPRECIATION FOR THE MESSAGE

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IT CONTAINED.

4. JAYEWARDENE THEN USHERED SENATOR PERCY AND ME TO A PRIVATE AREA WHERE WE WERE JOINED BY MINISTER OF NATIONAL SECURITY ATHULATHMUDALI. THE PRESIDENT FIRST TOOK A MAP AND OUTLINED THE NORTHERN AND EASTERN DISTRICTS. HE EXPLAINED THE ETHNIC BALANCE IN EACH AND SAID THAT HE HAD OFFERED THE TULF A REASONABLE PLAN FOR DEVOLUTION OF POWER TO THE LOCAL LEVEL BUT THAT THE TULF HAD REJECTED IT, INSISTING THAT THE NORTH AND EAST MUST HAVE THE RIGHT TO JOIN TOGETHER IN ONE ADMINISTRATIVE UNIT. THE GSL HAS CONSISTENTLY HELD SUCH A PROPOSAL WAS TOTALLY UNACCEPTABLE.

5. THE PRESIDENT LAMENTED THAT HE AND HIS GOVERNMENT HAD LABORED DILIGENTLY FOR NEARLY A YEAR TO FIND A POLITICAL SOLUTION TO THE COMMUNAL PROBLEM, BUT THAT THE TULF WAS INTRACTABLE. HE SAID TULF LEADER AMIRTHALINGAM WAS IN CLOSE CONTACT WITH KEY TAMIL SEPARATIST LEADERS AND PROBABLY COULD NOT AGREE ON ANYTHING SHORT OF EELAM WITHOUT FEAR FOR HIS LIFE.

6. AS A RESULT OF THE IMPASSE, JAYEWARDENE SAID HE AD-JOURNED THE ALL-PARTY CONFERENCE AND THAT HE AND HIS CABINET DECIDED TO DROP THE ROUND-TABLE PROPOSALS. THE PRESIDENT VOWED TO CONTINUE HIS EFFORTS TO FIND A POLITICAL SOLUTION AND SAID HE WAS CONSIDERING THE POSSIBILITY OF HOLDING ELECTIONS. HE DID NOT SPECIFY THE TYPES OF ELECTIONS HE HAD IN MIND, ALTHOUGH REPORTS IN THE DECEMBER 28 PAPERS SEEM TO CONFIRM OUR CONCLUSION THAT THESE WOULD BE TO FILL SEATS VACATED LAST YEAR BY TULF MP'S FROM THE NORTHERN AND EASTERN PROVINCES.

7. SENATOR PERCY SAID HE WAS AWARE OF THE GREAT DIFFICULTIES SRI LANKA WAS GOING THROUGH AND SYMPATHIZED WITH THE PRESIDENT'S STRENuous EFFORTS TO FIND AN AMICABLE SOLUTION. HE SAID PRESIDENT REAGAN AND THE USG STRONGLY SUPPORTED THE SOVEREIGNTY, INTEGRITY AND INDEPENDENCE OF A UNITED SRI LANKA. AS OTHERS HAVE DONE BEFORE HIM, HE URGED THE PRESIDENT TO CONTINUE HIS SEARCH FOR A POLITICAL ANSWER TO THE IMBROGLIO. THE SENATOR EXPLAINED THE NATURE OF HIS MISSION AND OFFERED TO BE OF ASSISTANCE IN CONVEYING ANY MESSAGE FROM JAYEWARDENE TO PRIME MINISTER RAJIV GANDHI.

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8. JAYEWARDENE EXPRESSED KEEN INTEREST IN SUCH A PROSPECT. HE SAID ONCE THE INDIAN ELECTIONS WERE OUT OF THE WAY HE WANTED TO MEET WITH GANDHI AND MAKE AN ALL-OUT EFFORT TO GET HIM TO CUT OFF ALL ASSISTANCE TO THE SEPARATISTS. THE PRESIDENT SAID, "I AM A VERY PEACEFUL MAN, BUT INDIA'S ROLE IN THIS CRITICAL MATTER IS REPREHENSIBLE AND THE INDIANS HAVE TO BE HELD ACCOUNTABLE FOR THEIR ACTIONS." HE SAID HE WOULD "LAY IT ON THE LINE" AND IF RAJIV DID NOT TAKE POSITIVE ACTION, HE WOULD EXPRESS HIS DISPLEASURE IN NO UNCERTAIN TERMS. I HAVE NEVER SEEN J.R. AS DEEPLY EMOTIONAL OR AGITATED OVER WHAT HE CONSIDERS TO BE AN EGREGIOUS ASSAULT BY INDIA IN SRI LANKA'S INTERNAL AFFAIRS.

9. LALITH ADDED THAT SRI LANKA HAD ALWAYS EXERCISED EXTREME CARE IN AVOIDING ANY POSITION THAT WOULD IRRITATE INDIA. HE RUEFULLY COMMENTED THAT SRI LANKA HAD BEEN INDIA'S MOST FRIENDLY NEIGHBOR BUT THAT DEEP RESENTMENT

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WAS NOW BUILDING UP IN THE COUNTRY BECAUSE OF INDIA'S DUPLICITIOUS BEHAVIOR. J.R. WENT ON TO SAY, "WE HAVE ALL COME FROM INDIA AND I CONSIDER INDIA AS OUR MOTHER-LAND." HE CANNOT COMPREHEND HOW INDIA COULD PERPETRATE SUCH AN INJUSTICE ON A CLOSE FRIEND.

10. SENATOR PERCY DESCRIBED HIS LONG AND INTIMATE RELATIONSHIP WITH THE GANDHI FAMILY AND EXPRESSED THE HOPE THAT RAJIV MIGHT BE SYMPATHETIC TO THE GSL'S EXTREMELY DIFFICULT SITUATION. HE SAID HE WOULD BE GLAD TO RELAY TO RAJIV PRESIDENT JAYewardene's SINCERE DESIRE FOR A FACE-TO-FACE DIALOGUE IN AN EFFORT TO FIND A WAY OUT OF THE CURRENT IMPASSE. THE PRESIDENT SAID HE WOULD WELCOME THE SENATOR'S INITIATIVE.

11. JAYewardene ALSO REVIEWED FOR US HIS EFFORTS TO UPGRADE THE CAPABILITY AND DISCIPLINE OF THE GSL SECURITY FORCES. HE BELIEVES PROGRESS IS BEING MADE IN IMPROVING THE EFFECTIVENESS OF THE FORCES. HE SAID HE CERTAINLY DOES NOT EXPECT THE U.S. TO SEND IN TROOPS, BUT WOULD HOPE THAT THE GSL COULD PURCHASE SOME MILITARY EQUIPMENT. LALITH POINTED OUT THAT IN HIS FORMER CAPACITY AS MINISTER OF TRADE AND SHIPPING THE GSL HAD APPROVED THE TRANS-SHIPMENT OF CARGO BOUND FOR DIEGO GARCIA WITHOUT RAISING A QUESTION ABOUT THE CONTENTS OF THE SHIPMENTS. CLEARLY THEY ARE HOPEFUL THAT IN SOME WAY WE CAN BE HELPFUL TO THE GSL IN ITS "HOUR OF NEED."

12. SENATOR PERCY REITERATED THE U.S.'S FIRM STANCE IN SUPPORT OF SRI LANKA AND PLEDGED TO DO HIS BEST IN EXPLAINING TO PRIME MINISTER GANDHI PRESIDENT JAYewardene's INTENSE DESIRE TO WORK WITH HIM IN RESOLVING THE COMMUNAL CRISIS. BOTH JAYewardene AND ATHULATHMUDALI EXPRESSED THEIR APPRECIATION TO PERCY AND THROUGH HIM TO PRESIDENT REAGAN.

13. COMMENT. THE MEETING TOOK PLACE ONE DAY AFTER JAYewardene HAD ABANDONED HIS YEAR-LONG ATTEMPT TO FIND A SOLUTION THROUGH THE APC PROCESS AND HIS SACKING OF MINISTER CYRIL MATHEW. ALTHOUGH HE IS KEENLY DISAPPOINTED AT THE RESULTS TO DATE, HE IS BY NO MEANS DISCOURAGED AND GAVE EVERY IMPRESSION THAT HE IS DETERMINED TO PUSH FORWARD WITH RENEWED VIGOR TO REACH A SETTLEMENT. LATER AT DINNER, THE PRESIDENT SAID THAT MATHEW WAS ONE OF HIS CLOSEST FRIENDS AND IT WAS VERY PAINFUL FOR HIM TO GO THROUGH WITH THE DISMISSAL, BUT THAT, "IT HAD TO BE DONE.

14. SENATOR PERCY LEFT COLOMBO BEFORE THIS CABLE WAS PREPARED AND MAY HAVE ADDITIONAL COMMENTS WHEN HE RETURNS ON JANUARY 2. WE ARE PROVIDING BY SEPTEL OUR COMMENTS ON WHAT SENATOR PERCY MIGHT USEFULLY SAY IN INDIA ON THE SRI LANKAN COMMUNAL ISSUE. REED

END OF MESSAGE

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